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Industrial Distribution

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- BEARINGS & DRIVES, INC.
- CAMERON & BARKLEY COMPANY
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ID 75

Industrial Distribution

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6
INDUSTRY NEWS
Japanese-American die casting firm begins operations in Indiana; Abrasive Technology, Inc. acquires assets of Crystalite Corp.; The Irwin Co. purchases Henry L. Hanson, Inc.; New Weldon division to manufacture special end mills; Texas A&M opens new Center for Distribution Research.

28
DISTRIBUTORS OF THE CENTURY:
30 CAMERON & BARKLEY
40 BEARINGS & DRIVES
50 INDUSTRIAL SUPPLY
60 SERVICE SUPPLY

74
MARKETING/ OPERATIONS IDEAS
Fel-Pro introduces the "The Ol' Pro" as spokesman for new campaign; New books on management development and meetings; AMA conducts three-day course on managing distributor sales; New gravity storage/delivery system from Interlake; NIDA/SIDA report on distributor contract clauses available; Literature on I.D. program offered by Eastern Michigan University; "New Call Selling" on audiocassettes; Program designed to help employees quit smoking; Management consulting group publishes membership directory.

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28 COVER STORY
DISTRIBUTORS OF THE CENTURY

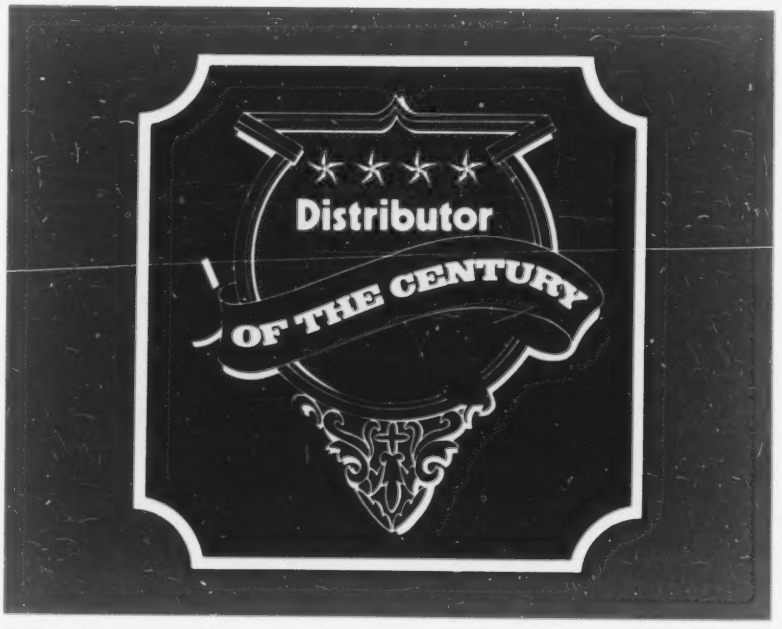

Illustration by Arthur Arias

4
FROM THE PUBLISHERS DESK

70
STRICTLY FOR SALESMEN
Modern day prospectors

72
COMPUTER/ TELECOMMUNICATIONS UPDATE

9 READER SERVICE CARD
16 MEETINGS
19 WASHINGTON REPORT
22 READERS WRITE
24 BUSINESS REPORT
26 LIKE IT OR NOT
80 WE WERE THERE
81 NEW PRODUCTS
87 READER SERVICE CARD
92 IN PRINT
94 APPOINTMENTS
95 CLASSIFIED ADVERTISING
96 ADVERTISERS INDEX

INDUSTRY NEWS...

Abrasive Technology Lapidary, said that the acquisition will expand markets for both companies. Peterman has assured Crystalite's customers and business associates to expect "business as usual with the same product quality, delivery and service that they have come to enjoy." □

Peterman: "Business as usual" at Crystalite Corp.

ROBOTICS FORECAST

YEAR	($ MILLIONS) COATINGS	WELDING	MATERIAL HANDLING	PROCESSING	TOTAL
1977	8	9	6	3	26
1980	27	22	22	18	89
1985	105	125	115	130	475
1986	135	160	155	190	640
1996	800	950	1050	2050	4850

Source: Business Trend Analysts

Investment in robotics rose from a total of $26 million in 1977 to $640 million in 1986. By 1996, predicts Business Trend Analysts, a Commack, NY, business research firm, investment in robotics will top $4.9 billion. Longer lines of advanced robots with more built-in precision and versatility are expected to integrate with high-output manufacturing. The distributors will profit from robotics via off-the-shelf mechanical and fluid power transmission components and controls as well as accessories such as grippers and adaptors.

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Indicators...

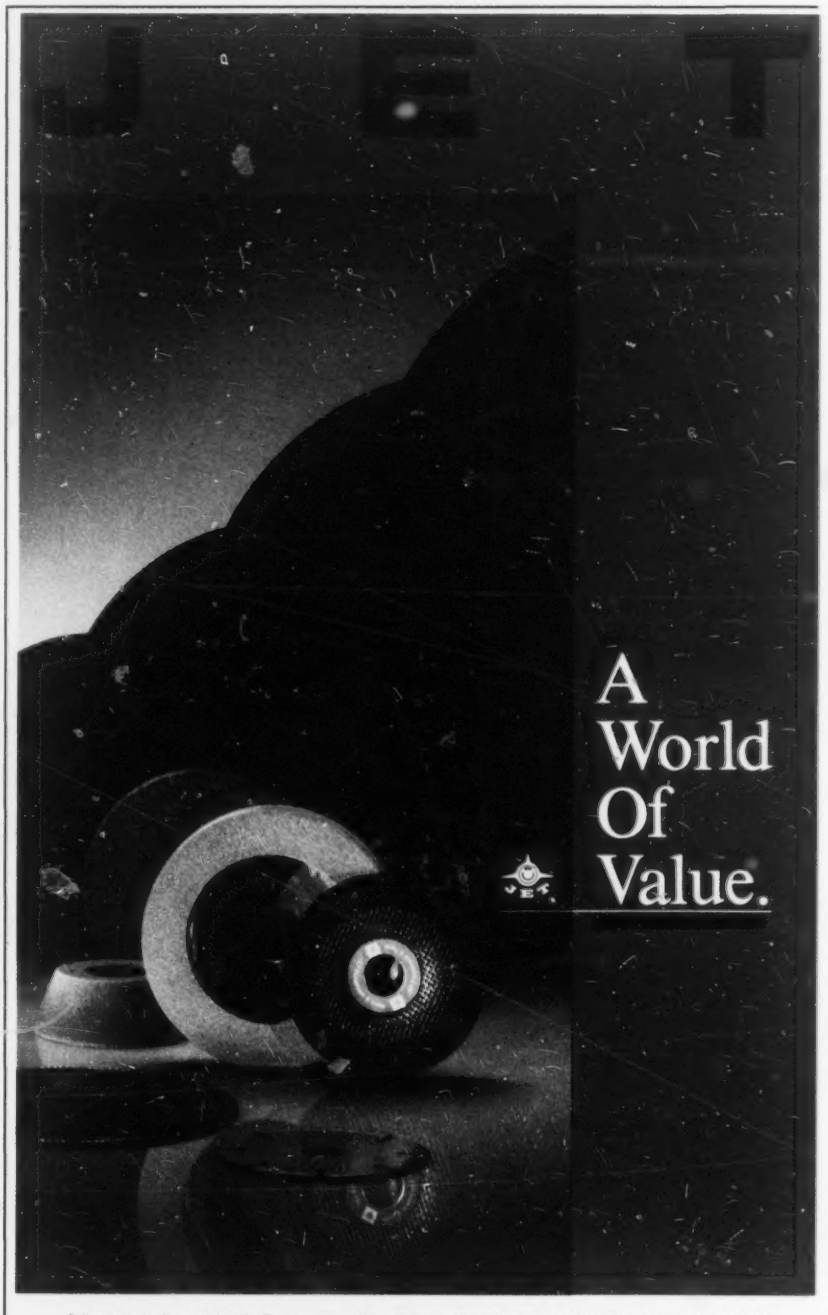
For the first time in recent months, the indices of the three leading associations all posted gains, albeit minor ones. The NIDA/SIDA *Industrial Distribution Index* gained 1.9 points in August over July on a National basis. Despite a 4.6 point drop in the East, the Midwest, West and South advanced by 2.1, 1.7 and 6.2 points respectively. Regardless of the slight August advance, the latest figures trail those of August '85 nationally as well as in every region...SIDA's *Monthly Sales Trend Report* for August gained a modest 0.29 points for the entire association area. All of SIDA's growth came from Area III comprising AL, KY, MS, and TN which increased its August performance by 5.84 points. The other three SIDA areas lost ground, ranging in severity from Area IV (AR, LA, OK, TX) which fell by just 0.03 to Area II (FL, GA, SC, Puerto Rico) which dropped by 2.68. In an August '86/August '85 comparison, the Association is behind by 3.67 while year-to-date '86/'85 shows a decline of 1.60...ASMMA's *New Order Index* for August advanced by 1.5 points (1.3%) over July to 118.1. Despite the increase, the Index is below its August '85 level which stood at 120.3 and the August '84 index at 129.1...The American Machine Tool Distributors' Assn. (AMTDA) reports that August sales of new machine tools by distributors "soared" 27% over July's level. The AMTDA *Total Index* advanced to 126.0 in August from 99.6 in July. An August '86/August '85 comparison is even more impressive, indicating a 40% increase in '86...the National Welding Supply Assn. (NWSA) *Welding Supply Index* dropped from 203.8 in July to 195.0 in August. Although August '86/August '85 shows a slight drop, year-to-date '86 is still running 1.9% ahead of year-to-date '85.

nancial and profit management.

Other research will be done for professional associations in terms of market and product potentials and trends, operational trends in distribution, and manufacturer/distributor relationship issues.

The new center will use state-of-the-art equipment and research techniques for questionnaire development, study design, mail and telephone surveys, and distribution audits.

Several companies have already donated time, money and equipment to the center including: Hewlett Packard, Distribution Resources, COSNOS, Profit 21, Ultimate Data Systems, Inc. and AT&T. □



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BUSINESS REPORT

Sales gain nationally

Up until the last quarter of 1986, sales had been lackluster with the best individual gain, nationally, standing at 5%. September sales equaled that high but for the first time this year, the majority of regions and areas also reported gains. Checks with distributors in diverse regions of the country, confirmed a modest gain, with most distributors optimistic about the last quarter of this year as well as the first half of 1987.

The best regional gains recorded in September 1986, compared to September 1985, came from the East North Central region, up 9%, the Mountain and Pacific regions, up 8%, followed by New England and South Atlantic, up 5%. Despite regional problems, distributors in some of the Mountain states have showed surprising strength most of the year. Distributors in the West South Central region, or the "oil belt," as it is sometimes called, have been hurt most of the year, but still managed a 2% regional gain in September.

The only weak regions reporting were Middle Atlantic and East South Central, down 2%.

In areas reporting yearly comparisons, Michigan and Wisconsin were quite strong with gains of 17% and 13%, respectively. Ohio was the only negative area, down 1%.

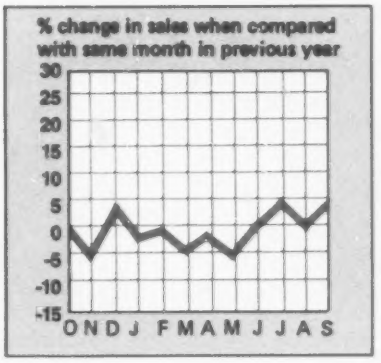
In month-to-month reporting, a more immediate indicator of business trends, New England showed the largest September regional gain, 13%, followed by the Mountain States at 12%, South Atlantic, up 8%, and Pacific, up 7%. Middle Atlantic was weakest, down 1%.

In cumulative reporting, the first nine months of 1986 compared to the first nine months of 1985, the U.S. Total was 0 or even.

Receivables, which had been in the low 40s most of 1985, fell to a low of 39 days during 1986 and are now holding at the 40 day level.

New distributors wishing to contribute business data to ***ID*** are welcome. Please contact George Berkwitt, Chief Editor, 875 Third Ave., New York, N.Y., 10022, or call 212-605-9541.

Milt Ellenbogen



RECEIVABLES*

	Sept. '86 Gen.	Spec	vs. Sept. '85 Gen.	Spec.
New England	43	49	45	48
Middle Atlantic	46	42	43	43
South Atlantic	37	37	32	38
East No. Central	38	40	42	41
East So. Central	38	40	42	41
West No. Central	38	33	35	33
West So. Central	41	—	45	—
Mountain	34	—	34	—
Pacific	43	41	40	42
National	40	40	40	40

* Average days outstanding

SALES BY REGIONS (% change)

	Sep '86 vs. Aug '85			Sep '86 vs. Sep '85			1st nine months '86 vs. 1st nine months '85		
	Gen.	Spec.	Both	Gen.	Spec.	Both	Gen.	Spec.	Both
NEW ENGLAND: CT, RI, MA, NH, VT, ME	+8	+16	+13	−8	+15	+5	−8	−4	−6
Connecticut	—	+24	—	—	+25	—	—	0	—
Massachusetts	+5	—	—	−8	—	—	−1	—	—
MIDDLE ATLANTIC: NY, NJ, PA	−10	+3	−1	−10	+2	−2	−5	−2	−3
New York Metropolitan Area	—	−4	—	—	+4	—	—	−4	—
Upstate New York	−13	+29	+8	−3	+11	+5	−3	−1	−2
Pennsylvania	−11	−4	−6	−16	−4	−9	−6	0	−3
SOUTH ATLANTIC: DE, DC, MD, FL, GA, NC, SC, VA, WV	+4	+11	+8	+3	+7	+5	−2	−2	−2
Georgia-Florida	+2	+9	+7	+12	+3	+4	0	−5	−4
EAST NORTH-CENTRAL: OH, IN, IL, MI, WI	+5	+2	+3	+8	+11	+9	+1	+6	+4
Indiana	+3	—	—	+14	—	—	+8	—	—
Wisconsin	+5	−7	−3	+13	+12	+13	+13	+6	+8
Chicago	—	—	—	—	—	—	—	—	—
Michigan	+29	+9	+17	+17	+16	+17	+4	+7	+5
Ohio	−6	+13	+3	−10	+8	−1	−14	+3	−6
EAST SOUTH CENTRAL: AL, MS, KY, TN	−14	+10	−5	−12	+13	−2	+7	+1	+4
WEST NORTH CENTRAL: MN, ND, SD, IA, NE, KS, MO	+4	—	—	+2	—	—	−4	—	—
WEST SOUTH CENTRAL: AK, LA, OK, TX	−5	+10	+2	−3	+8	+2	+2	−13	−5
Texas	+5	+10	+9	−3	+8	+6	+10	−13	−11
MOUNTAIN: NM, AZ, CO, UT, NV, WY, MT, ID	+9	+30	+12	+9	+4	+8	+2	+4	+3
PACIFIC: CA, OR, WA	+8	+7	+7	+3	+12	+8	+3	+2	+2
L.A.-San Diego	—	—	—	—	—	—	—	—	—
Oregon-Washington	+5	+11	+8	+9	+9	+9	+4	+4	+4
U.S. TOTALS	+2	+7	+5	+1	+9	+5	+1	0	0